

GARRICK A. HOLLANDER (SBN 166316)
ghollander@wghlawyers.com
WINTHROP GOLUBOW HOLLANDER, LLP
1301 Dove Street, 5th Floor
Newport Beach, CA 92660
Telephone: (949) 720-4100
Facsimile: (949) 720-4111

A. Barry Cappello (SBN 037835)
abc@cappellonoel.com
David L. Cousineau (SBN 298801)
dcousineau@cappellonoel.com
G. Michael Brelje (SBN 269476)
mbrelje@cappellonoel.com
CAPPELLO & NOËL LLP
831 State Street
Santa Barbara, CA 93101
Telephone: (805) 564-2444
Facsimile: (805) 965-5950

Attorneys for Debt Validation Fund II, LLC,
MC DVI Fund 1, LLC, and MC DVI Fund 2, LLC

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION**

In re:

THE LITIGATION PRACTICE GROUP P.C.,

Debtor.

Case No.: 8:23-bk-10571-SC

CHAPTER 11

**NOTICE TO CREDITORS OF MOTION AND HEARING
ON MOTION BY DVF AND MC DVI TO DISMISS
CHAPTER 11 CASE PURSUANT TO 11 U.S.C. §§ 105,
305, 349, & 1112, OR IN THE ALTERNATIVE CONVERT
THIS CASE TO CHAPTER 7 OR APPOINT A TRUSTEE**

DATE: May 17, 2023
TIME: 1:30 p.m.
CRTRM: 5C – Virtual¹

**TO THE HONORABLE SCOTT C. CLARKSON, UNITED STATES BANKRUPTCY JUDGE, DEBTOR, DEBTOR'S
COUNSEL THE OFFICE OF THE UNITED STATES TRUSTEE, CREDITORS, AND OTHER PARTIES IN INTEREST:**

PLEASE TAKE NOTICE that a hearing will take place on May 17, 2023, at 1:30 p.m. regarding the *Motion by DVF and MC DVI to Dismiss Chapter 11 case Pursuant to 11 U.S.C. §§ 105, 305, 349, & 1112, or in the Alternative Convert This Case to Chapter 7 or Appoint a Trustee* (“Motion”) filed by Debt Validation Fund II, LLC, (“DVF”), MC DVI Fund 1, LLC, and MC DVI Fund 2, LLC (collectively “MC DVI,” and with DVF “Creditors”) [Docket No. 44].

The Motion is based upon the Memorandum of Points and Authorities, the Declaration of G. Michael Brelje (“Brelje Declaration”), all pleadings, papers and records on file with the Court and such other evidence, oral or documentary, as may be presented to the Court at the time of the hearing on the Motion. A copy of the Motion and Declaration will be provided to any creditor upon written request made to the Firm at the addresses in the upper left corner of this notice.

As set forth in the Motion, the bankruptcy filing of The Litigation Practice Group P.C. (“Debtor” or “LPG”) is a sham. In August 2022, LPG convinced Creditors to enter promissory notes dated September 1, 2022, for monies LPG owed Creditors. The

¹ Accessibility information will be posted into the Court’s tentative ruling prior to the hearing. Parties can obtain such accessibility information on Judge Clarkson’s posted hearing calendar which may be viewed online at: <http://ecf-ciao.cacb.uscourts.gov/CiaoPosted/?jid=SC>

principal owed was \$66.4 million (for DVF) and \$37.4 million (for MC DVI), with significantly more owed to account for interest. Then, LPG began systematically, and intentionally, dissipating its assets and transferring its business to new entities in an admitted attempt to avoid LPG's liabilities. For instance, within a month of entering the Notes, LPG "sold" \$40 million of receivables for *one dollar, i.e., 0.000002%* of the value of the receivables. *See Brelje Declaration, Ex. 3.* It also transferred all its "good" performing clients to a new law firm called Oakstone Law Group PC, and effectively completely shut down its business and operations.

During this period, LPG also fought tooth-and-nail to avoid having a receiver placed over its business in a California State-court lawsuit filed by another creditor named Validation Partners LLC; a lawsuit and request that Creditors joined. It lost that fight on March 10, 2023 when the State-court judge ordered that Byron Moldo be named Receiver. However, LPG's lawyers—its third set to appear in that litigation—prevented Mr. Moldo from taking over by requesting the right to file objections to the scope of Mr. Moldo's powers, and taking advantage of the delay to file the instant bankruptcy, thereby staying the State-court case before the judge could enter a final order.

LPG is using bankruptcy as a sham, and filed its Petition in bad faith, to allow its principals to delay and, they hope, prevent Mr. Moldo from taking over and discovering the full extent of their malfeasance and fraud. This is unfortunately not surprising. Tony Diab, who controls LPG, is a disbarred lawyer who stole money from at least one client and forged a judge's signature on a fake order.

IF YOU DO NOT OPPOSE THE MOTION, YOU NEED NOT TAKE ANY FURTHER ACTION. HOWEVER, IF YOU DO OPPOSE THE MOTION, PURSUANT TO LOCAL BANKRUPTCY RULE 9013-1, ANY OPPOSITION TO THE MOTION MUST BE FILED WITH THE COURT NO LATER THAN FOURTEEN (14) DAYS PRIOR TO THE HEARING ON THE MOTION. YOU MUST FILE ANY SUCH OPPOSITION WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT, LOCATED AT 411 WEST FOURTH STREET, SUITE 9041, SANTA ANA, CA 92701. YOU MUST ALSO SERVE A COPY OF ANY SUCH OPPOSITION UPON COUNSELS AT THE MAILING ADDRESS STATED IN THE UPPER LEFT CORNER OF THE FIRST PAGE OF THIS NOTICE AND UPON THE OFFICE OF THE UNITED STATES TRUSTEE LOCATED AT 411 WEST FOURTH STREET, SANTA ANA, CA 92701. ALTERNATIVELY, YOU MAY FILE AND SERVE A WRITTEN STATEMENT THAT CREDITORS' MOTION TO DISMISS WILL NOT BE OPPOSED. FAILURE TO TIMELY FILE AND SERVE AN OPPOSITION TO THE MOTION MAY RESULT IN ANY SUCH OPPOSITION BEING WAIVED, AND THE COURT MAY ENTER AN ORDER GRANTING THE MOTION WITHOUT FURTHER NOTICE. MOREOVER, SHOULD YOU FAIL TO ATTEND THE HEARING ON THE MOTION, THE COURT IS AUTHORIZED TO ENTER YOUR DEFAULT AND TO GRANT THE RELIEF REQUESTED BY THE DEBTOR IN THE MOTION.

Creditors respectfully request that this Court grant this motion for dismissal in its entirety, dismiss Debtor's Chapter 11 case with prejudice, and impose a 180-day bar to refiling under any chapter of the Bankruptcy Code to prevent LPG from attempting to further delay the State Court actions, or to interfere with the performance of the Receiver's duties as ordered by the State Court. If the Court is not inclined to Debtor's Chapter 11 case, Creditors respectfully request the Court convert the case to Chapter 7 or appoint a trustee, in the alternative.

Dated: April 19, 2023

**CAPPELLO & NOËL LLP
AND
WINTHROP GOLUBOW HOLLANDER, LLP**

By: /s/ Garrick A. Hollander
Garrick A. Hollander
Attorneys for Debt Validation Fund II, LLC,
MC DVI Fund 1, LLC, and MC DVI Fund 2, LLC

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
1301 Dove Street, Suite 500, Newport Beach, CA 92660

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE TO CREDITORS OF HEARING ON MOTION BY DVF AND MC DVI TO DISMISS CHAPTER 11 CASE PURSUANT TO 11 U.S.C. §§ 105, 305, 349, & 1112, OR IN THE ALTERNATIVE CONVERT THIS CASE TO CHAPTER 7 OR APPOINT A TRUSTEE** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **April 19, 2023**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Ronald K Brown** ron@rkbrownlaw.com
- **Shawn M Christianson** cmcintire@buchalter.com, schristianson@buchalter.com
- **Joon M Khang** joon@khanglaw.com
- **Byron Z Moldo** bmoldo@ecjlaw.com, amatsuoka@ecjlaw.com, dperez@ecjlaw.com
- **Alan I Nahmias** anahmias@mbn.law, jdale@mbnlawyers.com
- **Queenie K Ng** queenie.k.ng@usdoj.gov
- **Paul R Shankman** PShankman@fortislaw.com, info@fortislaw.com
- **United States Trustee (SA)** ustregion16.sa.ecf@usdoj.gov

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On **April 19, 2023**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **April**, **2023**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

April 19, 2023
Date

Silvia Villegas
Printed Name

/s/ Silvia Villegas
Signature

The Litigation Practice Group P.C.
17542 17th St, Suite 100
Tustin, CA 92780-1981

Santa Ana Division
411 West Fourth Street, Suite 2030,
Santa Ana, CA 92701-4500

United States Trustee (SA)
411 W Fourth St., Suite 7160
Santa Ana, CA 92701-4500

20 LARGEST LIST

Azevedo Solutions Groups, Inc
420 Adobe Canyon Rd
Kenwood, CA 95452-9048

20 LARGEST LIST

Anthem Blue Cross
PO Box 511300
Los Angeles, CA 90051-7855

20 LARGEST LIST

Collaboration Advisors
400 Dorla Court
Zephyr Cove, NV 89448

20 LARGEST LIST

Executive Center LLC
5960 South Jones Blvd
Las Vegas, NV 89118-2610

20 LARGEST LIST

Exela Enterprise Solutions
2701 E. Grauwyler Road
Irving, TX 75061-3414

20 LARGEST LIST

JP Morgan Chase
3 Park Plaza, Ste 900
Irvine, CA 92614-5208

20 LARGEST LIST

California Franchise Tax Board
PO Box 942857
Sacramento, CA 94257-0001

20 LARGEST LIST

Credit Reporting Service Inc
548 Market St, Suite 72907
San Francisco, CA 94104-5401

20 LARGEST LIST

Document Fulfillment Services
2930 Ramona Ave #100
Sacramento, CA 95826-3838

20 LARGEST LIST

Debt Pay Pro
1900 E Golf Road, Suite 550
Schaumburg, IL 60173-5870

20 LARGEST LIST

Debt Validation Fund II, LLC
5075 Lower Valley Road
Atglen, PA 19310-1774

20 LARGEST LIST

LexisNexus
15500 B Rockfield Blvd
Irvine, CA 92618-2722

20 LARGEST LIST

MC DVI Fund 1, LLC
MC DVI Fund 2, LLC
1598 Cottonwood Dr
Glenview, IL 60026-7769

20 LARGEST LIST

Validation Partners LLC
1300 Sawgrass Pkwy
Ste 110
Sunrise, FL 33323

20 LARGEST LIST

Netsuite-Oracle
2300 Oracle Way
Austin, TX 78741-1400

20 LARGEST LIST

Outsource Accelerator Ltd
City Marque Limited, Unit 8801-2
Bldg 244-248 Des Voeux Rd
Central Hong Kong

20 LARGEST LIST

Tustin Executive Center
1630 S Sunkist Steet
Ste A
Anaheim, CA 92806-5816

20 LARGEST LIST

Sharp Business Systems
8670 Argent St
Santee, CA 92071-4172

20 LARGEST LIST

Marich Bein LLC
99 Wall Street
Ste 2669
New York, NY 10005-4301

20 LARGEST LIST

Business Centers of America
1100 Sir Francis Drake Blvd
Ste 1
Kentfield, CA 94904-1476

	Ajilon Lockbox: Dept CH 14031 Palatine, IL 60055-0001	American Express National Bank c/o Becket and Lee LLP PO Box 3001 Malvern PA 19355-0701
Anibal Colon Jr c/o Alexander Taylor, Esq. Sulaiman Law Group Ltd 2500 S. Highland Ave, Ste 200 Lombard, IL 60148-7103	Arkansas Dept of Finance & Admin PO Box 9941, Little Rock, AR 72203-9941 Little Rock, AR 72203-9941	April Riedy 3949 Clubview Avenue West Bloomfield Township, MI 48324-2807
Beverly Graham c/o Bobby Walker, Esq. Sulaiman Law Group 2500 S. Highland Ave, Ste 200 Lombard, IL 60148-7103	Carolyn Beech c/o Daniel Edelman, Esq. 20 South Clark St., Ste1500 Chicago, IL 60603-1824	CT Corporation - Inv PO Box 4349 Carol Stream, IL 60197-4349
City Capital NY 1135 Kane Concourse Bay Harbour Islands, FL 33154-2025	Carolina Technologies & Consulting Invoice 1854 Hendersonville Road, Suite A PMB #178 Asheville, NC 28803-2495	Cory Reade Dows and Shafer 1333 N Buffalo Drive Suite 210 Las Vegas, NV 89128-3636
Debra Price c/o Robert Cocco 1500 Walnut St, Ste 900 Philadelphia, PA 19102-3518	Darcy Williamson, Trustee 510 SW 10th Topeka, KS 66612-1606	David Ulery c/o Joshua Eggatz, Esq, Eggatz Pascucci 7450 Griffin Road, Suite 230 Davie, FL 33314-4104
(p)WA STATE DEPT OF LABOR & INDUSTRIES BANKRUPTCY UNIT PO BOX 44171 OLYMPIA WA 98504-4171	Diverse Capital LLC 323 Sunny Isles Blvd, Ste 503 Sunny Isles, FL 33160-4675	Arizona Dept of Economic Security PO Box 6028 Phoenix, AZ 85005-6028
Wisconsin Dept of Revenue PO Box 8901 Madison, WI 53708-8901	Byron Moldo 9401 Wilshire Boulevard, Twelfth Floor Beverly Hills, CA 90212-2928	Joon M Khang Khang & Khang LLP 4000 Barranca Parkway, Suite 250 Irvine, CA 92604-1713
Paul R. Shankman Fortis LLP 650 Town Center Drive Suite 1530 Costa Mesa, CA 92626-7021	Laura Ceva 280 Black Oak Cove Road Candler, NC 28715-8139	Rapid Credit Inc 3558 Round Barn Blvd Suite 200 Santa Rosa, CA 95403-0991
Liberty Mutual PO Box 91013 Chicago, IL 60680-1171	Marc Lemauiel - Allegra 326 MacNeil Way Weaverville, NC 28787-6700	Security Solutions 10911 Bloomfield St Los Alamitos, CA 90720-2506

Marc LeMauviel
326 Macneil Way
Weaverville, NC 28787-6700

Michael Schwartz
3968 Lowry Avenue
Cincinnati, OH 45229-1310

LHH RS
c/o Steven Rebidas
4800 Deerwood Campus Parkway
BLDG 800
Jacksonville FL 32246-8319

MarkSYS Holdings, LLC
3725 Cincinnati Ave
Suite 200
Rocklin, CA 95765-1220

State Of Nevada Department Of Taxation
700 E Warm Springs Rd Ste 200
Las Vegas, NV 89119-4311

Utah State Tax Commission
210 N 1950 W
Salt Lake City, UT 84134-9000

Nationwide Appearance Attorneys
5737 Kanan Rd #628
Agoura Hills, CA 91301-1601

Pitney Bowes
PO Box 981026
Boston, MA 02298-1026

TaskUs Holdings, Inc.
1650 Independence Dr
New Braunfels, TX 78132-3959

SBS Leasing A Program of De Lage Landen
PO Box 41602
Philadelphia, PA 19101-1602

Streamline Performance Inc
1551 N Tustin, #555
Santa Ana, CA 92705-8634

Twilio, Inc
101 Spear Street
Suite 500
San Francisco, CA 94105-1559

Johnny Rizo
c/o Bobby Walker, Esq.
Sulaiman Law Group
2500 S. Highland Ave, Ste 200
Lombard, IL 60148-7103

Rapid Credit Inc
3558 Round Barn Blvd
Suite 200
Santa Rosa, CA 95403-0991

Geneve and Myranda Sheffield
c/o Jeremiah Heck, Esq
Luftman Heck & Assoc
6253 Riverside Dr, Ste 200
Dublin, OH 43017-5450

Thomson Reuters
610 Opperman Drive
Eagen, MN 55123-1340

EnergyCare, LLC
2925 N. Green Valley Parkway
Suite C
Henderson, NV 89014-0418

Indiana Dept of Revenue
PO Box 1028
Indianapolis, IN 46206-1028

MDL Group c/o Executive Center LLC
5960 South Jones Boulevard
Las Vegas, NV 89118-2610

Jane Ann Dearwester
P.O. Box 7084
Asheville, NC 28802-7084

James Hammett
c/o Jenna Dakraub
Price Law Group
8245 N. 85th Way
Scottsdale, AZ 85258-4349

Mississippi Dept of Revenue
PO Box 23075
Jackson, MS 39225-3075

GHA Technologies Inc
8998 E Raintree Dr
Scottsdale, AZ 85260-7024

Kathleen Lacey
c/o David Chami, Esq.
Price Law Group
8245 N. 85th Way
Scottsdale, AZ 85258-4349

Nevada Dept of Taxation
1550 College Parkway, Suite 115
Carson City, NV 89706-7939

Fundura Capital Group
80 Broad Street, Ste 3303
New York, NY 10004-2845

Juize, Inc
PO Box 505
Murrieta, CA 92564-0505

Karen Suell
c/o Nathan C. Volheim, Esq
Sulaiman Law Group
2500 S. Highland Ave, Ste 200
Lombard, IL 60148-7103

Firas Abunada
18927 Hickory Creek Drive, Suite 115
Mokena, IL 60448-8660

Kathleen Scarlett
c/o Jeremiah Heck, Esq.
Luftman Heck & Assoc
6253 Riverside Dr, Ste 200
Dublin, OH 43017-5450

Kenneth Topp
c/o Nathan Volheim, Esq
Sulaiman Law Group Ltd
2500 S Highland Ave, Ste 200
Lombard, IL 60148-7103

Jessica Jarboe
PO BOX 4392
KINGMAN AZ 86402
Kingman, AZ 86402-4392

Gloria Eaton
c/o Kris Skaar, Esq.
133 Mirramont Lake Dr.
Woodstock, GA 30189-8215

First Legal Network, LLC
PO Box 743451
Los Angeles, CA 90074-3451

(p) Internal Revenue Service
Centralized Insolvency Operations
PO Box 7346
Philadelphia, PA 19101-7346

(p) Indiana Department Of Revenue
Attn Bankruptcy
100 N Senate Ave
Indianapolis IN 46204-2253

Forth Technology, Inc.
1900 E. Golf Road
Suite 550
Schaumburg, IL 60173-5870

GHA Technologies Inc
8998 E Raintree Dr
Scottsdale, AZ 85260-7024

GHA Technologies Inc
Dept #2090
PO Box 29661
Phoenix, AZ 85038-9661

Georgia Dept of Labor
148 Andrew Young International Blvd, NE,
Atlanta, GA 30303-1751

Imagine Reporting
1350 Columbia Street
Suite 703
San Diego, CA 92101-3456

SDCO Tustin Executive Center, Inc.
c/o Ronald K. Brown, Jr.
901 Dove St., Suite 120
Newport Beach, CA 92660-3018